



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

January 14, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 2833

Aaron Hancock
Interpace Industries, Inc.
736 West Harrisville Road
P.O. Box 12118
Ogden, Utah 84412

Re: Notice of Non-Compliance, Interpace Industries, Inc., Clinton Pit, M/049/006, Utah County, Utah

Dear Mr. Hancock:

This letter is sent to formally notify you that your Clinton Pit (M/049/006), is not in compliance with sections of the Utah Mined Land Reclamation Act 40-8-1 et. seq. (Act) and the Minerals Reclamation Program Rules, sections R647-1 through R647-5.

On July 31, 2002, the Division conducted an inspection of the Clinton Pit (inspection memo attached). During the inspection, it was observed that several portions of the operation were apparently not in compliance with the current Notice of Intention to Commence Large Mining Operations, the Utah Mined Land Reclamation Act, and the Minerals Rules.

Finding of Non-Compliance

1. The Clinton Pit exceeded the 26 acres of surface disturbance (currently permitted), before receiving Division approval of a revised Notice of Intention to Commence Large Mining Operations, as required by Title 40-8-13 of the Mined Land Reclamation Act and Minerals Rule R647-3-113. The current disturbance is approximately 75 acres.
2. Interpace Industries, Inc. has not posted a form and amount of reclamation surety acceptable to the Division as required under section 40-8-14 of the Act and Rule R647-4-113, before expanding operations beyond the previously approved disturbance acreage.

3. Interpace Industries, Inc. exceeded the approved permitted disturbance after being advised it is a violation of the Act and Rules to do so without first submitting a revised Notice of Intention and receiving prior approval for the revised Notice from the Division.
4. Interpace Industries, Inc. expanded the disturbed area outside the proposed permit area onto lands that were not identified as part of the current approved large mining operations.

Location of Non-Compliance

The mine is located in the southeast 1/4 of Section 9, Township 5 South, Range 1 West, SLBM, Utah County, Utah.

Mitigation Requirements

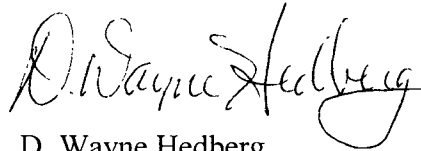
1. Within 30 days of receipt of this notice, Interpace Industries, Inc. shall clearly mark the perimeter of the approved 26-acre permit area boundary with metal t-posts or other suitable markers.
2. Interpace Industries, Inc. is hereby directed to ***immediately suspend all mining operations and removal of materials*** from all areas outside the approved 26-acre permit area for which the Division currently has a reclamation surety. This suspension will remain in effect until the revised mining and reclamation plan and an appropriate transitional reclamation surety amount is received and accepted in writing by the Division.
3. Interpace Industries, Inc. ***must increase the reclamation surety for the Clinton Pit in the amount of \$88,700.00, by submitting an acceptable transitional reclamation surety*** to the Division within thirty (30) days of your receipt of this Notice of Non-Compliance. The Division presently holds a \$47,700 surety for 26 acres of permitted disturbance for this mine site. The total surety (transitional and existing) required for the site is now \$136,400.00. This new surety amount is based on the current average cost (\$1810.00) per acre for the existing bonded acreage. This total is obtained by applying this figure to the 49 acres currently not covered by the reclamation surety (for a total of 75 acres). Please contact Joelle Burns at (801) 538-5291 for the appropriate surety forms.
4. Within 30 days of receipt of this notice, Interpace Industries, Inc. shall submit a permit amendment/revision to the current Large Mining permit application, to include all areas disturbed outside the current proposed permit area.

Consequences of Continued Non-Compliance

1. Interpace Industries, Inc.'s failure to comply with these mitigation requirements within the time frames specified in this Notice will result in the issuance of a formal Notice of Agency Action. The Notice of Agency Action may require you to appear at a formal hearing before the Board of Oil, Gas and Mining. Following public notice and hearing, the Board will issue an abatement or compliance Order which may require: suspension or termination of all mining operations, immediate reclamation of all mining-related disturbances, and/or other lawful requirements as authorized under the Act.

If you wish to contest this Notice of Non-Compliance, you may contact the Division to schedule an informal meeting before the Division's Associate Director. Please contact Vickie Southwick, Executive Secretary, at (801) 538-5304, within 10 days of your receipt of this notice, if you choose to arrange an informal meeting. If you have any questions regarding this Notice you may contact me at (801) 538-5286, or Lynn Kunzler at (801) 538-5310.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Attachments: Inspection Memo.

cc: Mary Ann Wright, Associate Director
Vickie Southwick, DOGM

O:\M049-Utah\M049006-ClintonPit\Final\nonc-01142003.doc